

Funder Due Diligence Policy

ClientEarth is committed to meeting the highest standards of integrity and accountability. Legal and regulatory obligations require us to implement robust Funder Due Diligence (FDD) to ensure that (A) we have appropriate internal financial controls to account for all funds; (B) our funding is not from illegal sources, or imposes unlawful conditions; and (C) an adequate audit trail is kept. To best pursue and achieve our mission and strategy, we also must (D) maintain our independence and integrity when working with our Funders. While point A is addressed by relevant Finance policies, this Policy addresses points B-D. It provides robust due diligence processes proportionate to the type and value of funding, and any identified risks. It enables us to take well-informed decisions and assigns clear responsibilities.

This Policy has been reviewed and approved by ClientEarth’s Executive Team, and reflects our values.

Values	Application in this Policy
Acting courageously	<ul style="list-style-type: none"> We will not accept funding that undermines ClientEarth’s independence or integrity even if it is financially challenging
Prizing diverse experience	<ul style="list-style-type: none"> We work with a wide range of Funders and aim to maintain a diverse funding portfolio
Embracing collaboration	<ul style="list-style-type: none"> We establish strategic working relationships with our Funders in pursuit of our mission
Learning continuously	<ul style="list-style-type: none"> We look to find new and impactful ways to mitigate risk, collaborate and improve our ways of working with our Funders
Opposing injustice	<ul style="list-style-type: none"> We take action when we suspect funding was obtained through illegal or inappropriate sources
Focusing on impact	<ul style="list-style-type: none"> We maintain a funding portfolio that supports our strategy and invest in evidencing our impact

What is the Scope of this Policy?

This Policy applies to all ClientEarth entities and staff worldwide, including all governance and management board members, who are expected to use best judgment in applying this Policy, and to play an active part in preventing non-compliance and promoting best practices. It is specifically relevant to staff who are working with new and existing Funders, including senior staff involved in the related review, assessment, and approval process. It covers the majority of ClientEarth’s income and all fundraising staff are required to follow the process it describes as a result.

This Policy and ClientEarth’s Corporate Partnership approach are publicly accessible on [Transparency | ClientEarth](#). This Policy and annexed Procedures can be shared with relevant stakeholders upon request.

ClientEarth’s Principles-Based Approach to Funder Due Diligence

Principle 1: Know your Funder to make informed decisions

We must gather relevant information about our funding sources to make well-informed decisions whether to accept income, and where necessary, mitigate any related risks.

Principle 2: Verify that **no income** we receive was gained **through criminal behaviour**

ClientEarth is legally required to ensure that its funding is not derived from illegal sources or imposes unlawful conditions. We ensure this by carrying out criminal and sanctions screenings on our Funders where we have a lawful basis to do so, and we have robust processes in place to assess contractual terms carefully. Where staff suspect that funding is associated with illegal behaviour, they should promptly report it to their line manager, relevant Development Head or Associate Director, without alerting the Funder. Alternatively, staff can also use the [TellUs](#) reporting channel directly.

Principle 3: Assess whether accepting income will lead to a **conflict of interest**

We look to identify actual, potential or apparent conflicts of interest in relation to Funders we want to work with to ensure ClientEarth's independence over its strategy and actions. Please refer to ClientEarth's Conflict of Interest Policy for examples of conflicts of interest.

Principle 4: Ensure the funding source is in line with our **mission and values** (internal), and assess associated credibility and **reputational risks** to ClientEarth (external)

We are committed to our mission and values, and we act in line with these when pursuing funding. Decisions to accept or decline income should be made in the best interests of ClientEarth, must be rational and reasonable, and supported by clear evidence. Associated credibility and reputational considerations should be carefully assessed as part of our work with Funders.

Principle 5: Ensure FDD checks are conducted for all Funders **proportionate to type and value**

The degree of FDD conducted depends on the general risk-level which is assessed through type and value of funding and triggers light-touch or enhanced FDD assessments. Additionally, enhanced FDD should be carried out if there are concerns that merit further investigation.

Please note that no charity is expected to establish the entity and legitimate funding origin for every small amount of income it receives (below £25,000 per annum) or to refuse anonymous donations, but heightened scrutiny is warranted if significantly high sums are being donated or if there is any reason for concern relating to the origin of the funding.

Principle 6: **Actively mitigate risks** and conflicts of interest

Actions to mitigate reputational or other risks related to funding should be considered and discussed as early as possible. Mitigation actions are decided on a case-by-case basis, and once implemented, should be monitored, reviewed and amended as needed.

Principle 7: **Keep records** of all decisions (positive and negative) and mitigation actions

We maintain an adequate audit trail of all positive and negative decisions resulting from our FDD assessments and maintain reliable documentation on these processes and mitigation actions, in compliance with applicable data retention and data protection requirements.

Brussels Beijing Berlin London Warsaw Madrid Los Angeles Luxembourg

ClientEarth is an environmental law charity, a company limited by guarantee, registered in England and Wales, company number 02863827, registered charity number 1053988, registered office 10 Queen Street Place, London EC4R 1BE, a registered international non-profit organisation in Belgium, ClientEarth AISBL, enterprise number 0714.925.038, a non-profit limited liability company in Germany, ClientEarth gGmbH, HRB 202487 B, a registered foundation in Poland, Fundacja "ClientEarth Prawnicy dla Ziemi", KRS 000364218, NIP 7010254208, a registered delegation in Spain, Fundación ClientEarth Delegación en España, NIF W0170741C, a registered 501(c)(3) organisation in the US, ClientEarth US, EIN 81-0722756, a registered subsidiary in China, ClientEarth Beijing Representative Office, Registration No. G1110000MA0095H836, a registered subsidiary in Japan, Ippan Shadan Hojin ClientEarth, corporate number 6010405022079, a registered subsidiary and company limited by guarantee in Australia, ClientEarth Oceania Limited, company number 664010655.